

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In re)
CITY OF DETROIT,) Chapter 9
MICHIGAN) Case No.: 13-53846
Debtor.) Hon. Steven W. Rhodes
)
)

**CITY OF DETROIT'S MOTION TO OPEN THE RECORD OF THE
HEARING ON CONFIRMATION OF THE CITY'S PLAN OF
ADJUSTMENT ON AUGUST 18, 2014,
FOR THE LIMITED PURPOSE OF ADMITTING THE TESTIMONY
OF AN OTHERWISE UNAVAILABLE KEY WITNESS**

On July 29, 2014, the Court entered its Sixth Amended Order Establishing Procedures, Deadlines and Hearing Dates Relating to the Debtor's Plan of Adjustment. The Order continued the start of the hearing on confirmation of the City's Plan of Adjustment from August 14 to August 21.

As the City advised the Court at the July 14, 2014 status conference, Robert Cline – one of the City's key expert witnesses – will not be available after August 19, 2014. Mr. Cline is retiring from Ernst & Young as of August 1, and will be taking a position with the Organisation for Economic Cooperation and Development (the "OECD"), a prestigious non-governmental organization headquartered in Paris, of which the United States and several dozen other

countries are members. Mr. Cline will be resident in the OECD's Paris office. Once Mr. Cline's employment with the OECD begins, the OECD's conflicts of interest policy will prevent him from testifying at the confirmation hearing. Although Mr. Cline was originally scheduled to begin his work at the OECD one week after his retirement, the City negotiated with the OECD to delay Mr. Cline's start date so that he could return to the U.S. to testify on August 18-19. However, further delay will not be possible and, under Mr. Cline's engagement letter with Jones Day, Mr. Cline is not obligated to provide any services after August 19. *See* Ex. 6.¹

Mr. Cline's testimony is central to the City's case. Mr. Cline, an economist, was instrumental in building Ernst & Young's revenue projections for the City's income taxes, wagering taxes and utility users' taxes. Those revenue projections are a cornerstone of the City's Plan, and Mr. Cline is a critical expert on this foundational issue. His testimony will be relevant both to the feasibility of the Plan and the best interest of creditors test. Given the importance of Mr. Cline's expert opinion and the inherent complexities involved in financial projections and revenue forecasts, it is essential that the Court hear Mr. Cline's testimony live and have the opportunity to ask clarifying questions as necessary.

Accordingly, the City respectfully requests that the Court open the record of the hearing on confirmation of the City's Plan of Adjustment on August

¹ Upon Mr. Cline's retirement from Ernst & Young, Jones Day retained him directly as an independent expert.

18, 2014, to admit Mr. Cline's live testimony and provide sufficient time for cross-examination. The City does not believe that this will prejudice other parties to the case, since Mr. Cline's testimony does not involve matters that were newly disclosed, is largely self-contained, and would not otherwise interfere with the order of proof at the hearing. The City expects that Mr. Cline's testimony (including time for cross-examination) should take no more than one day, although Mr. Cline is prepared to appear on August 19 as well if needed.

Dated: July 30, 2014

Respectfully submitted,

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**ATTORNEYS FOR THE CITY OF
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SUMMARY OF EXHIBITS

The following exhibits are attached to this motion, labeled in accordance with Local Rule 9014-1(b):

Exhibit 1	Proposed Order
Exhibit 2	Notice
Exhibit 3	None (Not Applicable)
Exhibit 4	Certificate of Service
Exhibit 5	None (Not Applicable)
Exhibit 6	Robert Cline Engagement Letter